

SECRET

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A Year's Investigation Uncovered Number Of Irregularities

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Special to The New York Times

WASHINGTON, Jan. 25—The House Select Committee on Intelligence has concluded following a year-long investigation that the Federal intelligence agencies, as they are currently constituted, operate in such secret ways that they are "beyond the scrutiny" of Congress, according to the panel's final report.

The 338-page report, which has not been released but a copy of which was obtained by The New York Times, discloses a number of irregularities uncovered by committee investigators. These include an apparent violation by the Central Intelligence Agency of a 1967 Presidential directive prohibiting it from providing secret financial assistance to any of the nation's educational institutions.

Low Budget Figures

The House committee also concluded that secret budget figures given to Congress by Federal intelligence agencies over the years were "three or four times" lower than the totals actually spent by the United States in gathering intelligence at home and abroad.

Many of those expenditures, it said, were obscured from Congress and were not adequately audited either by the Office of Management and Budget or by the agencies' own accountants, with the result that wastefulness and questionable expenditures had occurred.

The document is the third major government report in eight months detailing improper C.I.A. covert activities at home and abroad. On June 10 a Presidential commission headed by Vice President Rockefeller released its report on the agency's domestic spying activities and on Nov. 20 the Senate Select Committee on Intelligence issued its report that included assassination plots against foreign leaders,

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9-to-4 Vote

The committee's investigation, the report on which was approved in final form by a 9-to-4 vote of the panel's members on Friday, but which will not be made public until the end of this month, also turned up the following revelations:

¶ That the National Security Agency, which has the responsibility for monitoring the communications of other nations and attempting to break their codes, illegally listened in on overseas telephone conversations of specific American citizens whose names or telephone numbers had been provided to it by "another government agency."

¶ That the Federal Bureau of Investigation violated its own manual of regulations by preserving in its files "intimate sexual gossip" picked up by agents during a criminal investigation.

¶ That Robert A. Maheu, a former top aide to Howard R. Hughes, the billionaire, arranged at the behest of the C.I.A. to supply King Hussein of Jordan and other foreign leaders with female companions who were reimbursed for their efforts with Federal funds.

¶ That "thousands, if not millions, of dollars of unwarranted mark-ups" were added to the cost of bugging equipment purchased by the F.B.I. through a private company whose president was a close friend of high bureau officials. An F.B.I. spokesman said he would have no comment on the report's allegations until it was made public.

Colby Calls It Biased

But William E. Colby, the outgoing Director of Central Intelligence, said that a preliminary draft of the House report he had seen was "biased and irresponsible."

Mr. Colby said through a spokesman that the panel's disclosure of several of the agency's sensitive activities would harm American foreign policy, and he criticized what he termed "a selective use of evidence" by the committee "to present a totally false picture of American intelligence as a whole."

A Searle Field, the committee's staff director, responded that Mr. Colby had not yet seen the final version of the report approved by the panel on Friday, from which a number of names and other sensitive details were deleted.

Mr. Field a committee "would not attempt to characterize the public had to read it for

The committee's publican member its 10 Democratic day against it in its present one source meeting said four had objected to the inclusion of information about C.I.A. operations.

On Arms

The document sections on the handling of political and its ship anti-Communist goals and to Iraq, although countries is identified.

Mr. Colby, however, that release of that information of which has been in news accounts committee's at the White House President Ford make it public.

In a subsequent interview with NBC, Mr. Colby, asked what he might do after leaving office later this week, replied that he was considering writing a book about "modern intelligence" methods.

The C.I.A. has also expressed private concern about the committee report's description of its failure to give foreign policy makers sufficient advance warning of the outbreak of the 1973 Middle East war, the 1974 political coups in Cyprus and Portugal, the Indian nuclear explosion that same year and the 1968 Soviet invasion of Czechoslovakia.

But a committee source said today that the intelligence agency had not responded to the panel's request for details on comparable intelligence successes, except to cite the "saving of Europe" from Communist control following World War II and the frustration of efforts by Prime Minister Fidel Castro of Cuba to "export revolution" to Latin America.

In Compliance

Told of the committee assertion regarding the violation by the C.I.A. of the 1967 Presidential directive, Mr. Colby replied through a spokesman that he believed the agency to have been in compliance with President Johnson's order to halt "any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations."

portions of the Federal Intelligence budget had gone unreported to Congress in recent years.

The secret intelligence budgets given to Congress, the G.A.O. said, did not contain a number of important items, including 20 percent of the National Security Agency's annual budget, the budgets of the Pentagon's Advanced Projects Research Administration and the National Security Council, and the costs of domestic counter-intelligence functions performed by the F.B.I.

The expenditures of those funds, the report said, were largely unchecked by Congress and even by the Office of Management and Budget, which assigned only six full-time auditors to the foreign intelligence agencies. It said this spending was also inadequately monitored by C.I.A. accountants, who told the committee that in many cases they had been forced to "rely solely on the integrity" of many agency officials.

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